

Interim Report

January-June 2021
Storytel AB (publ)



Highlights

Financial

- Streaming sales up 19% from Q2 2020 to 545 (459) MSEK, +22% with constant exchange rates
- Subscriber base up 29% from Q2 2020 to 1,626,900 (1,257,000) on average
- Net turnover increased to 641 (554) MSEK in Q2 2021
- Earnings per share, after taxes amounted to -2.04 (-0.91) SEK in Q2 2021, before and after dilution

Other

- Held the Annual General Meeting of Shareholders on May 4
- Signed agreement to acquire the Finnish publishing house Aula & Co AB
- Entered into a partnership with Spotify making Storytel's catalogue available on the Spotify platform by linking the two accounts

Highlights after the End of the Quarter

- Revised the forecast for FY 2021
 - From 2.10–2.20 to 1.95–2.00 million subscribers EOY
 - From 2.40–2.50 BSEK to 2.25–2.30 BSEK in streaming revenues
 - From 0–5% to 6–8% negative EBITDA margin



Table 1: Key Performance Indicators for Streaming and Books

TSEK	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Streaming Total¹						Forecast
Revenue	459,115	490,234	503,449	517,075	545,451	586,000
Contribution Profit	100,493	113,663	107,074	97,592	105,933	
Contribution Margin	21.9%	23.2%	21.3%	18.9%	19.4%	
Avg. Paying Subscribers	1,257,000	1,360,300	1,442,000	1,540,600	1,626,900	1,723,000
ARPU	122	120	116	112	112	113
Streaming Nordics¹						
Revenue	366,322	394,453	399,639	401,834	423,323	451,000
Contribution Profit	107,176	125,534	134,166	119,418	127,010	
Contribution Margin	29.3%	31.8%	33.6%	29.7%	30.0%	
Avg. Paying Subscribers	833,300	902,000	926,000	957,500	983,600	1,033,000
ARPU	147	146	144	140	143	146
Streaming Non-Nordics						
Revenue	92,793	95,781	103,810	115,240	122,128	135,000
Contribution Profit	-6,684	-11,872	-27,092	-21,826	-21,078	
Contribution Margin	-7.2%	-12.4%	-26.1%	-18.9%	-17.3%	
Avg. Paying Subscribers	423,700	458,300	516,000	583,100	643,300	690,000
ARPU	73	70	67	66	63	65
Books						
Revenue	126,743	150,391	197,346	125,189	149,962	
Contribution Profit	44,147	63,667	81,774	52,852	66,479	
Contribution Margin	34.8%	42.3%	41.4%	42.2%	44.3%	

Table 2: Year-On-Year Growth Rates with Constant Exchange Rates (CER)

Revenue Growth YoY	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Streaming Total¹						Forecast
Reported Revenue	43.5%	22.8%	19.5%	20.5%	18.8%	19.5%
Revenue – CER	47.7%	28.8%	26.3%	26.5%	22.2%	
Streaming Nordics¹						
Reported Revenue	32.6%	15.9%	13.5%	14.9%	15.6%	14.3%
Revenue – CER	36.0%	20.1%	17.8%	18.0%	16.5%	
Streaming Non-Nordics						
Reported Revenue	112.4%	62.7%	49.9%	45.0%	31.6%	40.9%
Revenue – CER	121.8%	79.4%	69.9%	63.6%	45.1%	
Books						
Reported Revenue	16.2%	29.2%	9.9%	9.1%	18.3%	
Revenue – CER	16.2%	30.5%	11.2%	12.1%	20.1%	

¹ Storytel Norway is included in the figures with 100%. In the consolidated accounts, Norway is reported in accordance with the principle of proportional consolidation.

Letter to our Shareholders

Dear Shareholders,

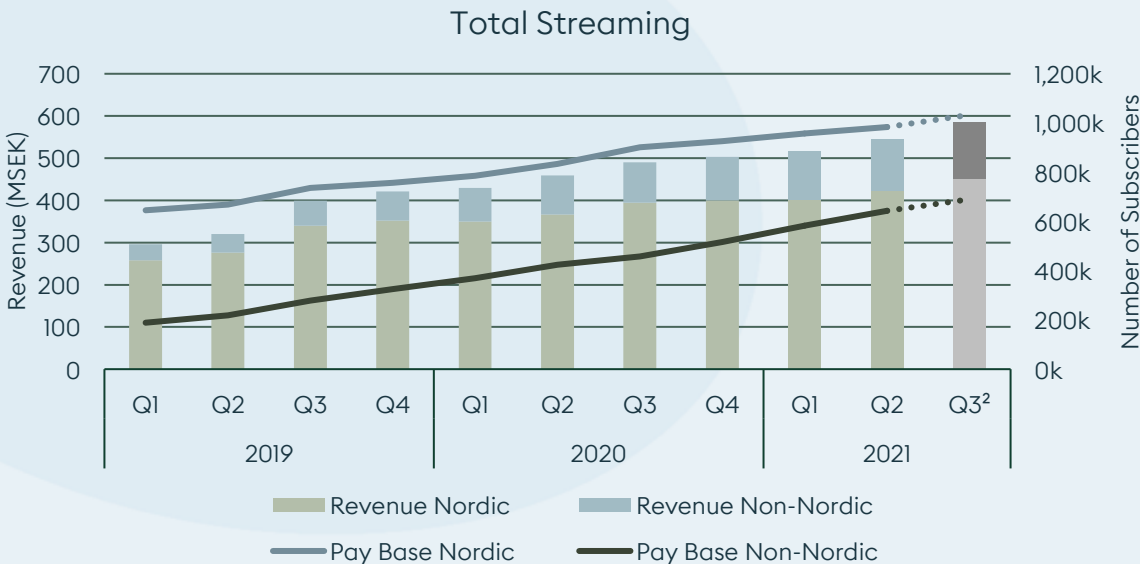
On July 20 2021, Storytel met yet another important milestone when the service surpassed 1,000,000 paying subscribers in the Nordic region. This indicated an average penetration level of the adult population in the Nordic countries of 5%. With an 18% subscriber growth and 16% revenue growth YoY in Q2 2021, the Nordic countries form a solid and profitable base for continuous growth. We are confident that the audiobook market will continue to grow and that many of the Storytel markets will increase their contribution to overall growth in the next few years.

Financial Metrics

Subscriber and Revenue Development

With a forecast of 1,625,000 paying subscribers and an outcome of 1,626,900 paying subscribers, Q2 2021 was one of Storytel’s most spot-on quarters. The Nordics came in at 983,600 paying subscribers and 423 MSEK in streaming revenue with an ARPU of 143 SEK, 3 SEK higher than in Q1 2021, positively impacted by price increases made at the end of Q1. After the quarter end, we raised the price in Sweden from 169 SEK to 179 SEK which will have a significant positive effect on ARPU and revenues from Q3 onwards.

The Non-Nordic segment averaged 643,300 paying subscribers. ARPU slightly down to 63 SEK, with streaming revenue of 122 MSEK. ARPU in Non-Nordic markets was somewhat affected by movements in FX and the subscription mix. Our Select subscription, which is limited to languages in India, stood out positively in terms of subscriber growth during the quarter, but reducing ARPU slightly.

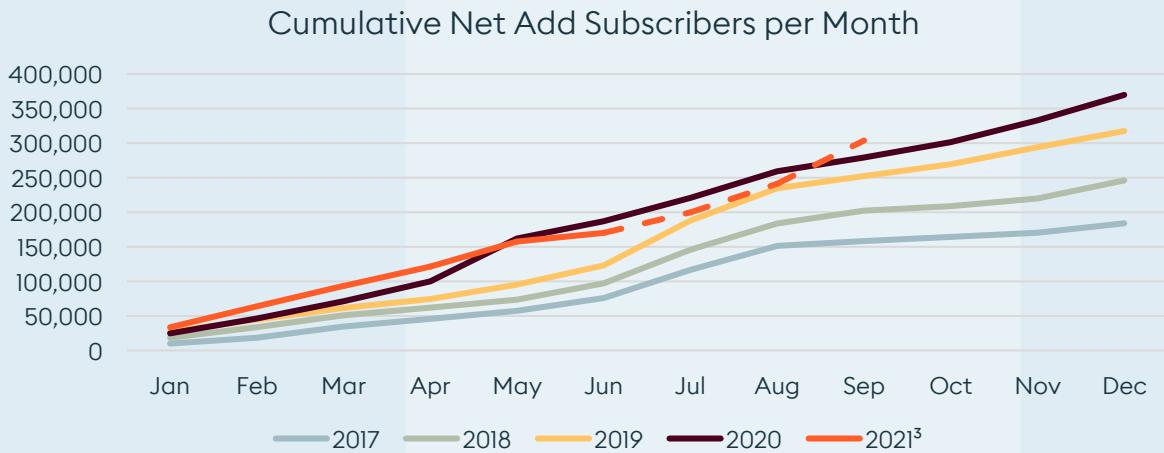


² Q3, 2021 represents the communicated forecast for the quarter.

We raised the price by 9% on both Unlimited and Family in the Netherlands, and in Belgium by 6%. We also raised the price on some of the products in India by 18%. The price in Spain has been lowered from 12.99 EUR to 10.99 EUR, to better reflect the reduced purchasing power in the country.

The headwind in terms of negative effects from FX movements was still significant in Q2 2021, and with constant exchange rates the YoY revenue growth would have equaled 22%.

Net added subscribers in Q2 2021 amounted to 86,300 paying subscribers in the first quarter, slightly below the net added subscribers in Q2 2020 but well above the same period in 2019. From September and onwards, 2021 net adds will surpass those of 2020, continuing our unbroken track record of increasing net added subscribers year over year.



Following our acquisitions of Kitab Sawti (Arabic) and iCast (Israel) last summer, we are now seeing promising growth in the region and expect these markets to contribute with a couple of percent to our overall growth in the coming year.

The Netherlands, Poland, Russia and Turkey all see strong subscriber growth. ARPU in local currencies is developing positively on all markets, but significant devaluations of the Turkish lira and the Russia ruble have a negative effect on ARPU and revenues.

We are experiencing slower growth than anticipated in Latam and Spain. The COVID-19 pandemic continued to have an adverse effect on performance, resulting in a flat development of subscribers and revenues in Latam and Spain for the past year.

In Q2, we continued to roll out our Light subscription, reduced price with a monthly time limit, and after the quarter end we rolled out a Student subscription, half price on Unlimited for eligible students, on most markets.

Storytel Free, currently only available in Brazil, continued to impress in terms of intake in Q2 2021. Cumulatively more than 300,000 customers have been enrolled, but we have excluded them from our Subscriber numbers. Conversion to paying subscription plan is still low and we are continuously experimenting with ways to increase engagement among our Free

³ The dashed line represents the communicated forecast for Q3, 2021

users. Over time we expect Free to be an important intake driver in markets where the audiobook is lesser known.

Contribution Profit

Contribution margin decreased 250 bps in Q2 2021 compared to Q2 2020. Payment fees improved to 4.4% of revenue in Q2 2021 compared to 4.8% of revenue in the same quarter the prior year.

Content costs were stable at 50.5% in Q2 2021 compared to Q2 2020, positively affected by increased inhouse share of consumption, mainly as a result of the acquisition of Lind & Co in Sweden. However, due to higher content costs in both Norway and Finland compared to the same quarter the prior year, the net effect in the Nordics segment is neutral. The gross margin developed positively and was 45.1% in Q2 2021 compared to 44.7% in Q2 2020.

Marketing costs increased 290 bps to 25.7% in Q2 2021, compared to Q2 2020, lowering the contribution margin to 19.4% in Q2 2021 compared to 21.9% in the same period previous year. We saw continued growth possibilities in both the Nordic and Non-Nordic segment, and we will keep increasing investments to raise awareness levels and attract more audiobook listeners.

Forecast Targets

As stated in Table 1 and the Financial Performance section, subscriber base is forecasted to average 1,723,000 subscribers in Q3 2021. ARPU is expected to increase to 113 SEK. This leads to streaming revenues of 586 MSEK.

Considering the performance in the first two quarters of 2021 and the Q3 guidance, we now revise our full-year guidance to 2.25–2.30 BSEK in streaming revenue (20–22% streaming revenue growth). Subscriber base is expected to end the year at 1.95–2.00 million paying subscribers. Subscriber base development in the Nordic segment have continued to show good performance, while the Latam region and Spain have shown worse performance than expected.

We also adjust the EBITDA margin from 0–5% negative margin to 6–8% negative EBITDA margin. The lowered EBITDA margin is mainly attributable to increased marketing investments to build awareness in markets such as Poland, The Netherlands and Finland. These investments are expected to boost subscriber and revenue growth in Q4 2021 and we are confident that the YoY growth in Q4 will be significantly higher than in the first three quarters, a trend that we believe will continue into 2022.

In 2021, we expected two or three markets to become profitable on a local level. Poland turned profitable in the first quarter of 2021 and has remained so for two consecutive quarters. However, we expect negative EBITDA in Q3 and Q4 due to increased investments in marketing to fuel growth.

Our mid-term target for 2023, 30-35% annual revenue growth, remains our target as our underlying business is growing solidly at 20-25% and we believe there are ample opportunities for us to generate additional growth via new market launches, partnerships and M&A.

Expansion and M&A

During the quarter we closed the acquisition of a majority stake in the Swedish publishing house Lind & Co, which has now been included in the consolidated numbers starting on April 1, 2021. At the end of June, we signed an agreement to acquire 100% of the Finnish publisher Aula & Co. The acquisition will be completed in late August. The acquisition of Aula & Co strengthens Storytel's position on the Finnish market, as a distributor, producer and publisher.

Product, Platform and Partnerships

App Store and Google Play ratings were unchanged in Q2 2021 compared to Q1 2021, with App Store ratings at 4.7 and Google Play ratings at 4.3. We continued to make large UX improvements including an overhaul of the navigation in the app. In order to further increase our strategic focus on the user experience within our core businesses, we decided to terminate the Magazine app Ztory. Ztory's operations will cease as of September 1, 2021.

Net promoter score (NPS), which also measures customer satisfaction was quite stable, at 31 in Q2 2021 compared to 32 in Q1 2021.

During the quarter, we continued to integrate with new partners. The largest integration was with Checkout.com, a payment service provider, and will be rolled out in the MENA region, to increase conversion and enable cash payments. Our service was launched on Apple Watch, making it possible to listen to offline audiobooks without carrying a phone.

In May 2021, Storytel and Spotify announced a partnership through which Storytel's library of audiobooks will be available for Storytel subscribers on Spotify by linking the two accounts. The business models will stay intact, and the partnership will create a new channel for Storytel to acquire new subscribers. Launch is planned for late 2021.

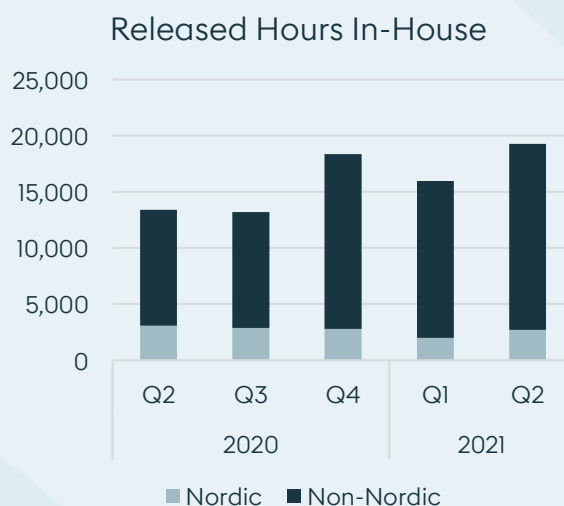
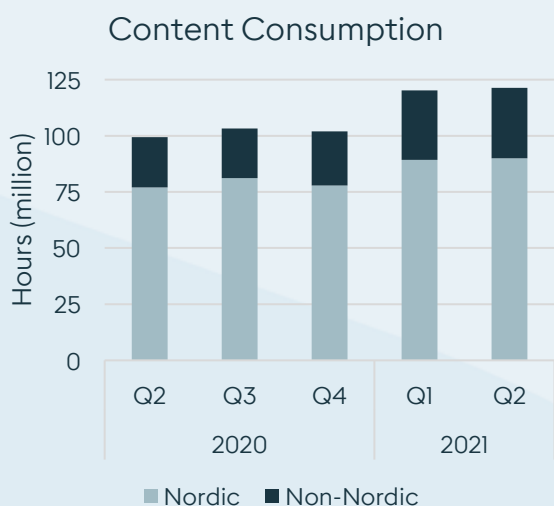
Storytel continuously broadens its customer appeal and offering, and in Q2 we developed a discounted verified student product, offering students Unlimited at half price, which was launched in late Q2/early Q3 in multiple markets. In this way we reach an unexplored customer segment early and create loyal subscribers who eventually will convert to fully paying subscribers.

Content

Consumption in the Storytel service amounted to 121 million hours in Q2 2021, quite stable from Q1 2021 and up 22% from Q2 2020, slightly lower than subscriber growth.

In Q2 2021, we released 19,300 hours of audio content: 2,700 hours in the Nordic segment and 16,600 hours in the Non-Nordic segment, an increase with 3,300 hours from Q1 2021, mainly due to the launch of Israel where 3,400 hours of Hebrew titles were added. An increase in number of released hours compared to Q1 could also be noted in India and Spain.

In June 2021, Storytel entered into an exclusive agreement with The Conan Doyle Estate, giving Storytel the privilege of developing completely new stories with Sherlock Holmes for Storytel Original to be launched – audio-first – in Q2 2022. The adventures will be written by a team of writers under the creative lead of Anthony Horowitz.



People, Culture and Sustainability

In June, Storytel set up a Sustainability Committee within its Board of Directors. The purpose of this Committee is to manifest Storytel's strategic and systematic commitment to its resilient sustainability efforts across the business and oversee that the company continues to manage goal setting and reporting processes, strengthen relations with external stakeholders, and operate with a high level of business ethics. The Sustainability Committee supports the Board in fulfilling its responsibilities to specifically address climate & environmental matters, human rights, labor standards, and anti-corruption practices.

Jonas Tellander

CEO and Co-Founder



Financial Performance

Consolidated Net and Total Turnover, Q2 2021

Net turnover for the Group in Q2 2021 totaled 641,022 (553,559) TSEK. Net turnover was negatively affected with 12,523 TSEK in Q2, mainly related to a VAT adjustment from an external payment provider.

Storytel A.S in Norway is a joint venture with Cappelen Damm and is reported in accordance with the principle of proportional consolidation. Table 1 in this report includes all subscribers and revenue in Norway under Streaming, Nordics. As a result, the Streaming revenue listed in Table 1 is higher than in the consolidated statement of accounts in order to provide a more accurate figure for average revenue per subscriber. Table 1 does not include revenue from sales of Storytel Reader, capitalized work for own account or other non-material operating income.

Total consolidated revenue amounted to 730,413 (617,555) TSEK, of which 79,557 (56,815) TSEK is related to the capitalization of internal development work. Streaming sales grew by 19% from Q2 2020 and 22 % using constant exchange rates. The Books segment had yet another strong quarter with sales increasing by 18%, of which Lind and Co represented 15 percentage points. Net turnover grew by 15.8%. Total group revenue, including the capitalization of internal development work, grew by 18.3% from Q2 2020.

Consolidated Expenses, Q2 2021

Unit-sale costs for the Group totaled 396,775 (352,526) TSEK in Q2 2021. Unit-sale costs include content costs to third-party publishers, royalties to rights holders, costs for producing digital books, and cost of goods sold for physical books, as well as warehouse, distribution, and transaction/payment costs. Unit-sale cost increased 12.6% YoY following increased revenues. Unit-sale costs was affected with 3,777 TSEK in Q2 2021, related to the adjustment affecting the net turnover as described above.

Gross margin increased by 2.8 percentage points to 45.7% in Q2 2021 compared to 42.9% in Q2 2020. This can be explained mostly by an increase in capitalized work for own account and an improved gross margin in the Books segment.

Other external costs for the Group during Q2 2021 totaled 225,838 (174,052) TSEK, an increase of 29.8% YoY. The largest cost item and the largest increase from the prior year within this item-line is marketing costs. Other significant costs included technology-related services and costs, consultant costs and office leases. Other external cost was also affected by a write-down of inventory and other assets in connection with the sale of Norstedts Kartor of 4,837 TSEK.

Staffing costs for the Group in Q2 2021 totaled 167,154 (128,804) TSEK, an increase of 29.8% YoY. The main increase relates to staffing costs for Streaming which increased in order to meet the pace of expansion for global functions and employees in new countries. The increase is also explained by new staff at Storytel following the acquisition of Kitab Sawti, Earselect and iCast, which are not included in the comparison figures. Furthermore, the stock option program contributed approximately 5,450 TSEK to staffing costs in Q2 2021.

EBITDA, Q2 2021

EBITDA in the Group in Q2 2021 totaled -59,354 (-37,827) TSEK, equaling an EBITDA margin of -8.1% (-6.1%).

Depreciation, and Amortization, Q2 2021

Depreciation, amortization and write-downs in the Group in Q2 2021 totaled -74,785 (-22,130) TSEK, of which write-downs totaled -24,298 TSEK. The write-downs are attributable to write-down of IT platforms in connection with the migration of customers from the Mofibo platform to the Storytel platform in Denmark and from the Kitab platform to the Storytel platform in the MENA region. They are also attributable to closing down Ztory. Depreciation and amortization primarily include depreciation attributable to goodwill and other excess value identified in connection with acquisitions and amortization related to the capitalization of development work of the technical platform and the digital catalogue of audiobooks and e-books. All goodwill and excess values are depreciated on a linear basis over five to ten years. Amortization of goodwill pertaining to acquisitions in currencies other than SEK is affected by FX fluctuations. Lind & Co has been included as of Q2 2021, which increases depreciation and amortization by approximately 8,110 TSEK in the current quarter.

Profit/Loss, Q2 2021

Profit/Loss for the period amounted to -139,126 (-56,450) TSEK. Earnings per share after taxes in Q2 2021 totaled -2.04 (-0.91) SEK, before and after dilution, and were calculated as earnings for the period after taxes, divided by the average number of shares during the period.

Taxes Q2 2021

In Q2 2021, taxes, including deferred tax, amounted to -5,442 TSEK and correspond to a write down of a deferred tax asset in Ztorylabs, following the decision to shut down the service.

Capital Expenditure, (compared to December 31, 2020)

At the end of Q2 2021, the company had intangible assets amounting to 875,180 (632,461) TSEK, whereas the largest items consisted of rights, licenses & brands, capitalization of the IT platform & recording of audiobooks and goodwill. Intangible assets increased by 242,719 TSEK from Q4 2020, mainly due to the additional capitalization of expenses for development work of the technical platform and the digital catalogue of audiobooks and e-books, but also the acquisition of Lind & Co in Q2 2021.

Financial Position as of June 30, 2021 (compared to December 31, 2020)

At the end of the period, the Group had 1,327,331 (426,219) TSEK in cash and cash equivalents. The equity-to-asset ratio at the end of the period was 75.3% (61.9%). Equity increased to 2,287,885 (1,176,153) TSEK, mainly due to the directed share issue and its contribution to equity (after share issue expenses) of 1,157,197 TSEK made in Q1 2021.

Non-current liabilities to lending institutions totaled 0 (0) TSEK. The company has a non-utilized revolving credit facility of 500,000 TSEK.

Cash Flow, Q2 2021

Cash flow from operating activities before changes in working capital was -45,120 (-63,486) TSEK. The change in working capital was positive at 16,798 (31,261) TSEK. Cash flow from investing activities was -123,981 (-69,474) TSEK and was mainly attributable to the capitalization of expenses for the development of the technical platform, the digital catalogue of audiobooks and e-books and the acquisition of Lind & Co. Cash flow from financing activities amounted to 5,539 (-288,920) TSEK.

Guidance for Q3 2021 and FY 2021

Q3 2021 Guidance – Streaming Segment

	Avg. Subscribers	Revenue
Nordics	1,033,000	451 MSEK
Non-Nordics	690,000	135 MSEK
Total	1,723,000	586 MSEK

FY 2021 Guidance	EoY Subscribers	Revenue	Group EBITDA margin
Total	1,950,000–2,000,000	2,250–2,300 MSEK	negative 6–8%

The FY 2021 Guidance has been updated to better reflect performance in the first half of 2021 and the Q3 guidance. EoY Subscriber base has been updated from 2.1–2.2 million subscribers to 1.95–2.0 million subscribers, mainly affected by worse performance in the LATAM region and Spain. Streaming revenue has been updated from 2,400–2,500 MSEK to 2,250–2,300 MSEK following the adjustment of subscriber base development. EBITDA margin has been updated from 0–5% negative margin to 6–8% negative margin affected mainly by increased long-term marketing investments to build awareness in markets such as Poland, The Netherlands and Finland.

Financial Reports Summary

Group

Income Statement

TSEK	Q2 2021	Q2 2020	Q1-Q2 2021	Q1-Q2 2020	Q1-Q4 2020
Net turnover	641,022	553,559	1,256,391	1,066,777	2,338,228
Change in inventory during production	-320	513	-978	4,854	4,597
Capitalized work for own account	79,557	56,815	151,022	103,635	240,392
Other operating income	10,155	6,668	16,871	14,226	33,285
Total Group revenue	730,413	617,555	1,423,306	1,189,492	2,616,502
Unit-sale costs	-396,775	-352,526	-781,877	-669,129	-1,450,796
Other external costs	-225,838	-174,052	-417,315	-343,136	-718,925
Staffing costs	-167,154	-128,804	-317,834	-246,163	-531,519
EBITDA	-59,354	-37,827	-93,720	-68,936	-84,739
Depreciation and amortization	-50,487	-22,130	-90,866	-41,986	-106,946
Write-downs of intangible fixed assets	-24,298	-	-24,298	-	-
Profit/loss before financial items	-134,139	-59,957	-208,884	-110,922	-191,685
Profits from associated companies	22	28	50	56	424
Net financial items	1,345	-12,692	1,178	-10,224	-19,042
Profit/loss before taxes	-132,772	-72,620	-207,656	-121,089	-210,303
Taxes on profit for the period including deferred taxes	-5,442	16,170	-4,089	27,047	26,786
Non-controlling interest	-912	-	-912	-	-
Profit/loss for the period	-139,126	-56,450	-212,657	-94,042	-183,516
Earnings per share, SEK					
Group total, basic	-2.04	-0.91	-3.22	-1.56	-2.99
Group total, diluted	-2.04	-0.91	-3.22	-1.56	-2.99

Group

Balance Sheet

TSEK	30 Jun 2021	30 Jun 2020	31 Dec 2020
Intangible assets	875,180	343,657	632,461
Tangible assets	23,983	21,491	24,640
Non-current financial assets	166,715	151,338	164,476
Inventory	64,739	73,316	53,207
Current receivables	582,193	475,094	598,427
Cash and cash equivalents	1,327,331	710,303	426,219
Total assets	3,040,141	1,775,199	1,899,430
Share capital	34,129	31,068	31,273
Other equity, including profit/loss for the year	2,186,625	1,171,578	1,144,880
Non-controlling interest	67,131	-	-
Provisions	67,860	31,544	65,714
Non-current liabilities	-	-	-
Current liabilities	684,396	541,008	657,563
Total equity and liabilities	3,040,141	1,775,199	1,899,430

Changes in Equity

TSEK	Share capital	Reserves	Equity including net profit	Non-controlling interest	Total equity
Opening equity January 1, 2020	28,055	17,241	296,904		342,200
Share issue	3,218		1,023,461		1,026,679
Employee stock option			11,229		11,229
Warrant premium			11,212		11,212
Exchange differences		-26,409			-26,409
Other changes			-5,243		-5,243
Profit/loss for the current period			-183,516		-183,516
Closing equity December 31, 2020	31,273	-9,168	1,154,048	-	1,176,153
Opening equity January 1, 2021	31,273	-9,168	1,154,048	-	1,176,153
Non-controlling interest – from acquisition of Lind & Co				66,219	66,219
<i>Transactions with owners:</i>					
Share issue	2,856		1,232,908		1,235,764
Employee stock option			8,941		8,941
Warrant premium			6,172		6,172
Exchange differences		6,381			6,381
Other changes					
Profit/loss for the current period			-212,657	912	-211,745
Closing equity June 30, 2021	34,129	-2,787	2,189,412	67,131	2,287,885

Group

Cash Flow Statement

TSEK	Q2 2021	Q2 2020	Q1-Q2 2021	Q1-Q2 2020	Q1-Q4 2020
Net profit/loss after financial items	-132,772	-72,620	-207,656	-121,089	-210,303
Adjustments for non-cash items	88,478	10,822	117,871	17,826	111,320
Taxes paid	-826	-1,688	-6,639	-4,614	-10,292
Cash flow from operations before changes in working capital	-45,120	-63,486	-96,154	-107,877	-109,275
Change in working capital	16,798	31,261	27,047	31,948	26,423
Cash flow from operating activities	-28,321	-32,226	-69,107	-75,929	-82,582
Cash flow from investing activities	-123,981	-69,474	-197,212	-122,062	-385,302
Cash flow from financing activities	5,539	-288,920	1,162,737	548,068	548,260
Cash flow for the period	-146,763	-390,620	896,418	350,077	80,106
Available funds at the beginning of period	1,476,304	1,110,247	426,219	365,900	365,900
Translation differences in available funds	-2,210	-9,324	4,695	-5,673	-19,787
Available funds at end of period	1,327,331	710,303	1,327,331	710,303	426,219

Parent Company

Income Statement

TSEK	Q2 2021	Q2 2020	Q1-Q2 2021	Q1-Q2 2020	Q1-Q4 2020
Net turnover	646	1,645	1,293	3,445	4,717
Total revenue	646	1,645	1,293	3,445	4,717
Other external costs	-1,822	-3,524	-2,880	-5,472	-15,994
Staffing costs	-1,746	-1,589	-3,361	-3,189	-6,156
EBITDA	-2,922	-3,468	-4,948	-5,216	-17,433
Depreciation and amortization	-	-	-	-	-
Profit/loss before financial items	-2,922	-3,468	-4,948	-5,216	-17,433
Net financial items	1,001	-4,652	4,986	180	3,192
Profit/loss before taxes	-1,921	-8,120	38	-5,036	-14,241
Appropriations	-	-	-	-	20,926
Taxes on profit for the year including deferred taxes	-	1,078	-	1,078	-
Profit/loss for period	-1,921	-7,042	38	-3,958	6,685

Balance Sheet

TSEK	30 Jun 2021	30 Jun 2020	31 Dec 2020
Non-current financial assets	2,820,037	1,566,222	2,572,537
Current receivables	192,886	455,023	129,774
Cash and cash equivalents	886,959	400,551	82,302
Total assets	3,899,882	2,421,796	2,784,613
Share capital	34,129	31,068	31,273
Other equity, including profit/loss for the year	3,720,671	2,387,079	2,487,680
Non-current liabilities	-	-	-
Current liabilities	145,082	3,648	265,661
Total equity and liabilities	3,899,882	2,421,796	2,784,613

Accounting and Valuation Principles

The interim report has been prepared in accordance with the Swedish Annual Accounts Act. The accounting and valuation policies applied are consistent with the Swedish Accounting Standards Board's BFNAR 2012:1 (K3) and are unchanged from the most recently published Annual Accounts.

Amounts are reported in Swedish krona and rounded to the nearest thousand unless otherwise stated. Rounding to the nearest thousand may mean that amounts are not consistent when added. Amounts and figures stated in brackets are comparatives for the corresponding period of the previous year, unless otherwise stated.

The registered Parent Company is Storytel AB (publicly traded). Fifty percent of Storytel AS (Norway) is owned by Cappelen Damm and is reported in accordance with the principle of proportional consolidation. Wholly owned subsidiaries are included in the financial statement from their time of registration or acquisition.

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For acquisitions from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity on the line transactions with non-controlling interests in the consolidated statement of changes in shareholders' equity. The non-controlling interest is related to the acquisition of a majority stake in Lind & Co.

Auditor's Review

This Q2 report has not been reviewed by the auditors of the company.

Number of Shares and Share Capital as of June 30, 2021

There were 68,258,429 (62,136,576) registered shares in issuance at the end of the period, divided between 635 Class A shares and 68,257,794 Class B shares. Share capital totaled 34,129,215 (31,068,278) SEK as of June 30, 2021. On average in Q2 2021 there were 68,258,429 registered shares divided between 635 Class A shares and 68,257,794 Class B shares. The shareholder structure is presented at investors.storytel.com.

Information About Nasdaq First North Growth Market

Nasdaq First North Growth Market ("First North") is an alternative marketplace operated by the constituent exchanges of Nasdaq Stockholm. It does not have the same legal status as a regulated marketplace. Companies quoted on First North are subject to First North's rules rather than the legal requirements set for trading on a regulated marketplace. An investment in a company trading on First North implies higher risk than an investment in a listed company. Companies must apply to the exchange and gain approval before trading on First North may commence. A Certified Adviser guides the company through the listing process and ensures that the company continuously satisfies First North's standards.

Risks and Uncertainty Factors

Storytel is exposed to risks, particularly associated with Storytel's international expansion, ability to acquire new subscribers, ability to innovate, and ability to maintain and develop its content catalogue. A comprehensive risk analysis is available in the company's most recent annual report and company description.

Post-Period Activity

No significant events has occurred after the end of the reporting period.

Forthcoming Reports

Interim Report Jan – Sept 2021
Year-End Report Jan – Dec 2021

November 5, 2021
February 17, 2022

Definitions

ARPU	Average Revenue Per User (Subscriber) per month.
Average Paying Subscribers	The average number of paying Storytel subscribers during the quarter. Stand-alone subscribers from Ztory are not included. For Family subscriptions, each standard stream (not so-called Kids Mode) is considered one paying subscriber.
CER	Constant Exchange Rates.
Churn	The number of paying Storytel subscribers that have stopped paying for the service during a certain period of time, most often expressed as monthly churn where a 30-day time period is applied.
Content Cost - Streaming	Defined as content cost to third-party publishers and royalties to rights holders.
Contribution Profit - Books	Defined as revenue minus cost of goods sold, royalties to rights holders, distribution, sales, and marketing costs.
Contribution Profit - Streaming	Defined as streaming revenue minus content cost to third-party publishers, royalties to rights holders, transaction/payment costs and marketing costs. Storytel Reader and Ztory are not included in Streaming.
EBITDA	Earnings before interest, taxes, depreciation and amortization.
EBITDA margin	EBITDA as percentage of total Group revenue.
Equity-to-Asset Ratio	Adjusted equity (equity including non-controlling interest and untaxed reserves less deferred tax) as a percentage of the balance sheet total.
Forecast	An approximation based on information available at the time the report was prepared.
FTE	Full-time equivalents.
Revenue - Books	Physical books and digital sales through channels other than Storytel. Internal revenue from Storytel has been eliminated. All publishing houses in the Group are included, both in Sweden and internationally.
Revenue - Streaming	ARPU * Paying Subscribers.

Signatures and Assurance

The Board of Directors and the Chief Executive Officer offer their assurance that this interim report provides a true and fair view of the Group's and the Parent Company's operations, financial position and operational performance.

FNCA Sweden AB is the company's certified adviser. FNCA can be reached at info@fnca.se or +46 8 528 00 399.

Stockholm, August 6, 2021

Rustan Panday
Chair of the Board

Jonas Tellander
Board Member and CEO

Jonas Sjögren
Board Member

Nils Janse
Board Member

Stefan Blom
Board Member

Malin Holmberg
Board Member

Helen Fasth Gillstedt
Board Member

Get in Touch with Us

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